



*Alliance Meeting*

*April 2020*

## **Kerr-Philpott System Rate Adjustments**

Rate schedules for the Kerr-Philpott System provide for a true-up to capacity and energy rates based on the variance of the actual cumulative net revenue available for repayment from the planned cumulative net revenue available for repayment. The true-up was effective April 1, 2020.

The rates for capacity and energy for the period April 1, 2020, through September 30, 2020, will be as follows:

Capacity:	\$3.65	per kilowatt per month
Energy:	14.80	mills per kilowatt-hour



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### Proposed 2020-2025 Rate Filing

On March 30, 2020, notice of proposed rate schedules for Southeastern Power Administration's Kerr-Philpott System was published in the *Federal Register* (85 FR 17572). Southeastern proposes to update and extend the existing rate schedules. No public information or public comment forum will be held. Written comments should be submitted to: Administrator, Southeastern Power Administration, U.S. Department of Energy, 1166 Athens Tech Road, Elberton, GA 30635-6711; Email: [Comments@sepa.doe.gov](mailto:Comments@sepa.doe.gov) by April 29, 2020.

The initial base capacity charge and the initial base energy charge are proposed to remain the same as in current rate schedules, and effective October 1, 2020, would be as follows:

Capacity:	\$4.40	per kilowatt per month
Energy:	17.80	mills per kilowatt-hour

The proposed rate schedules would continue adjustments annually on April 1 of each year, based on the variance of the actual net revenue available for repayment from the planned net revenue available for repayment. The adjustment is for every \$100,000 under-recovery of the planned net revenue available for repayment, the base capacity charge is increased by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and the base energy charge is increased by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt-hour. For every \$100,000 over-recovery of the planned net revenue available for repayment, the base capacity charge is reduced by \$0.02 per kilowatt per month, up to a maximum of \$0.75 per kilowatt per month, and the base energy charge is reduced by 0.10 mills per kilowatt-hour, up to a maximum of 3.0 mills per kilowatt-hour.

The rates are based on a repayment study estimating the Ker-Philpott System will produce the following net revenue available for repayment (rounded to nearest \$10,000):

Fiscal Year	Estimated Annual Net Revenue Available for Repayment	Cumulative Net Revenue Available for Repayment
2020	\$ 200,000	\$ 200,000
2021	\$ 2,560,000	\$ 2,760,000
2022	\$ 2,940,000	\$ 5,700,000
2023	\$ 2,360,000	\$ 8,060,000
2024	\$ 2,430,000	\$ 10,490,000
2025	\$ 2,130,000	\$ 12,620,000
2026	\$ 2,210,000	\$ 14,830,000
2027	\$ 2,310,000	\$ 17,140,000
2028	\$ 2,420,000	\$ 19,560,000
2029	\$ 2,530,000	\$ 22,090,000



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## **Renewable Energy Certificates (REC)**

Southeastern Power Administration is revising the Power Marketing Policy for the Kerr-Philpott System of Projects to include distribution of Renewable Energy Certificates (REC) to Preference Customers.

Southeastern plans to submit a draft proposal to the Department of Energy for review and approval in early May, 2020. Upon approval and publication by Federal Register, there will be a 90-day period followed by a comment forum before a final decision is reached by the Administrator. Southeastern has targeted October 1, 2020, as the implementation date for the revised marketing policy.